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Volume Nine  
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SEE INSERT

**Conducting an  
effective wage-  
and-hour audit**

PAGE 4

Also:

**Safe harbors:  
How to obtain fair  
market value in  
valuation report**

PAGE 40

Meet

**Mike Walker**

Chief Audit and  
Compliance Officer,  
University of Connecticut

PAGE 14

Feature Focus:

**Medicaid  
enforcement:  
The waves keep  
rolling in**

PAGE 26



# Tax compliance for the new millennium: IRS releases Discussion Draft of redesigned Form 990—Part I

By James R. King, JD and Gerald M. Griffith, JD

*Editor's note: James R. King is a partner in the Jones Day law firm in its Columbus, Ohio office and a member of the Jones Day Health Law and Tax Practices. Mr. King is currently a Vice Chair of the American Health Lawyers Association (AHLA) Tax & Finance Practice Group. He may be reached by telephone at 614/281-3928 or by e-mail at jrking@jonesday.com.*

*Gerald M. Griffith is a partner in the Jones Day law firm in its Chicago office and a member of the Jones Day Health Law and Tax Practices. Mr. Griffith is a former Chair of the AHLA Tax & Finance Practice Group and a current member of AHLA's Board of Directors. He may be reached by telephone at 312/269-1507 or by e-mail at ggriffith@jonesday.com.*

*Part II of this two-part series on IRS Form 990 will appear in the October 2007 issue of Compliance Today.*

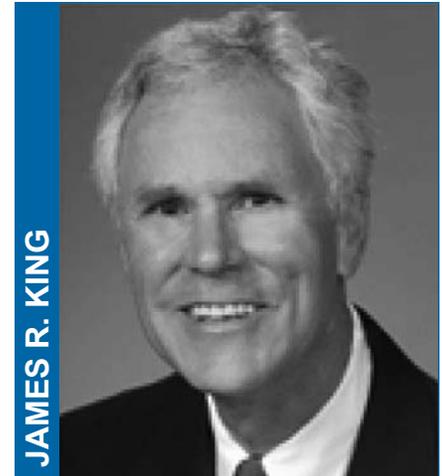
On June 14, 2007, the Internal Revenue Service (IRS) released a Discussion Draft of a redesigned Form 990, the first comprehensive update in over 25 years. Form 990 is the annual information return filed by tax-exempt organizations, including tax-exempt hospitals and other health care providers.<sup>1</sup> In a statement accompanying the Discussion Draft, Kevin Brown, Acting IRS Commissioner, noted

“The tax-exempt sector has changed markedly since the Form 990 was last overhauled more than a quarter of a century ago.”<sup>2</sup> He went on to note that, “We need a Form 990 that reflects the way this growing sector operates in the 21st century. The new 990 aims to give both the IRS and the public an improved window into the way tax-exempt organizations go about their vital mission.”<sup>3</sup>

## Discussion Draft's impact

The IRS's release of the Discussion Draft does not involve any changes in the substantive rules governing tax-exempt organizations. However, in many respects, it is more important than many of the substantive positions that the IRS has adopted. Under the Discussion Draft format, Form 990 is not just for numbers any more. It has become an SEC-like disclosure document containing a vast store of readily available information about the activities of an organization and the extent to which the organization engages in financial transactions with insiders.

This is extremely important from an enforcement prospective. The constant theme of the Discussion Draft is to ask organizations for detailed information about what they are doing and how they are doing it, particularly in areas where the IRS has perceived the potential for abuse. In other words, the Discussion Draft repeatedly requests organizations to “rat themselves out.” This approach gives the



IRS ready access to hard factual data to make judgments about the need for enforcement action. In addition, because the Form 990 is readily available to the public, the IRS will be assisted in its enforcement efforts by the “eyes and ears” of various state attorneys general, legislative bodies, the news media, and other interested members of the general public – many of whom will have “an agenda” and all of whom will have quick and easy access to a substantial amount of information.

Recent amendments to Internal Revenue Code (IRC) § 7623 increased to 30% the maximum potential whistleblower award for tax law violations involving tax liability in excess of \$2 million. This will provide a financial incentive for private citizens to ferret out the next big tax deficiency, including among large nonprofit organizations.

## Core Form and Schedules

The 2006 tax year version of the Form 990 (the most current version of the form) consists of a nine-page Core Form and Schedules A and B.<sup>4</sup> In addition, in the 2006 Form 990, there are 36 possible attachments, most of which request additional financial information by each type of filing organization.<sup>5</sup>

The Discussion Draft consists of a 10-page Core Form and a series of 15 associated

Schedules to be completed by each Form 990 filer. Some of the Schedules are mind-numbingly detailed, designed to require reporting of information only from those organizations that conduct particular activities. The IRS has posted on its Web site the Core Form, the Schedules, instructions, and other materials offering some insight into the principles and rationale underlying the Discussion Draft.<sup>6</sup>

### Three “guiding principles” of redesign

In releasing the Discussion Draft, the IRS stated the redesign was based on three guiding principles:

- Enhancing transparency to provide the IRS and the public with a realistic picture of the filing organization;
- Promoting compliance by accurately reflecting the filing organization’s operations so the IRS may efficiently assess the risk of noncompliance; and
- Minimizing the burden on filing organizations.<sup>7</sup>

### Increased transparency and IRS oversight

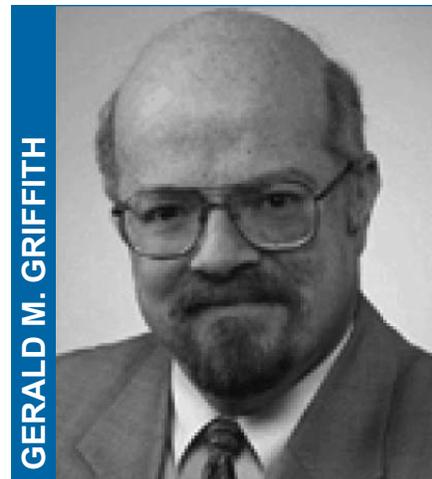
The Discussion Draft demonstrates that the IRS has likely taken giant steps forward in achieving the first two objectives. In its current form, the Discussion Draft would greatly enhance transparency. Indeed, the Discussion Draft makes it much easier for both the sophisticated and unsophisticated reviewer to get a strong sense of what the filing organization is all about. Transparency has been a stated concern of the IRS for several years, and the IRS previously sought comments regarding how changes to Form 990 could achieve the goal of enhancing transparency. For example, in 2002, the IRS announced that it was considering modifying the form to include requirements similar to those that Congress imposed on for-profit companies after Enron and other corporate scandals.<sup>8</sup> Specifically, the IRS sought comment on whether:

- an exempt organization should be required to disclose on Form 990 if it has adopted a conflicts-of-interest policy or if it has an independent audit committee;
- a non-charitable exempt organization should be required to make additional disclosures about transactions with its substantial contributors, officers, directors, trustees and key employees;
- an exempt organization should be required to disclose additional information about transactions or financial relationships with its substantial contributors, officers, directors, trustees and key employees; and
- any other changes to Form 990 or other requirements exist that would increase public confidence in the integrity of exempt organization disclosures.<sup>9</sup>

Many of these concepts have evolved into the information requests included as part of the Discussion Draft.

However, it is likely that some segments of the exempt organizations’ community will provide the IRS with comments designed to increase the extent to which the Discussion Draft will present a “realistic picture” of the filing organization. So too, will critics of the health care industry suggest that Form 990, while laudable in the direction it is heading, does not go nearly far enough. For example, Senator Chuck Grassley of Iowa has already noted that the threshold for more detailed disclosure of compensation arrangements is set too high and does not provide the public with adequate information.<sup>10</sup>

Moreover, throughout the entire Discussion Draft, the IRS repeatedly asks organizations to tell the IRS about the organization’s activities in areas in which the IRS has perceived abuses or the potential for abuses. That is, the Discussion Draft repeatedly asks organizations to “rat themselves out” in a publicly available docu-



GERALD M. GRIFFITH

ment. Giving the IRS this information will increase the efficiency of the IRS’s enforcement activities and the potential for whistleblowers to file allegations of tax law violations with the IRS. For organizations not making adequate disclosure, the IRS also may add filing a false or fraudulent return to the list of items for discussion at audit settlement conferences. In addition, because the Form 990 is so readily available through Guidestar (a searchable Internet database of more than 1.5 million IRS-recognized nonprofit organizations) and other sources, it is likely to modify behavior within the exempt organization community. Filing organizations will want to be able to “tell a good story” on Form 990 and to avoid, or to mitigate, the damage from unflattering stories in the local and national news media or unwanted attention from state attorneys general. Accordingly, the mere issuance of the Discussion Draft could have a significant effect on the behavior of tax-exempt hospitals, well before it becomes effective.

### Expect increased reporting obligations

The third objective, easing the burden on filing organizations, the IRS may or may not actually achieve on an aggregate basis. However, it is clear that health care organizations will have an increased—maybe significantly increased—compliance and reporting burden as

*Continued on page 51*

a result of the redesigned form. In that regard, Lois G. Lerner, Director of the IRS's Exempt Organization's Division, noted that while most organizations should not experience a change in burden, "those [organizations] with complicated compensation arrangements, related-entity structures, and activities that raise compliance concerns may have to spend more time providing meaningful information to the public."<sup>11</sup> Because most health care organizations tend to be larger, more complicated organizations with fee-for-service income, investment income, tax-exempt bonds, and large payrolls, they can expect increased reporting and compliance efforts when the final redesigned form emerges.

The IRS has stated its goal to have the new, redesigned form ready for use for the 2008 filing year (returns filed in 2009). The IRS seems serious about making every effort to achieve that goal.

For example, the IRS is providing a 90-day comment period for the Discussion Draft, with comments due by September 14, 2007.<sup>12</sup> IRS notes that "it is critical that comments be received within the comment period."<sup>13</sup> Notwithstanding the aggressive schedule, IRS says it recognizes that some parts of the form will need modification after input on the Discussion Draft is received and that certain revisions may require changes in regulations or other guidance.

### Specific comments for health care organizations

In releasing the Discussion Draft, IRS specifically requested comments and suggestions that should be of interest to health care organizations:

- Additional items regarding governance and management best practices;
- The reporting of community benefit by hospitals on Schedule H, and, in particular, the extent to which the Catholic

Health Association's reporting format (on which Schedule H is largely based) should be modified;

- Defining "relatedness" for compensation disclosure and other purposes, including arrangements in joint ventures and with for-profit subsidiaries;
- Whether transition periods are necessary to ease the burden of implementing the new reporting requirements for certain Form 990 components (such as the tax-exempt bond schedule); and
- Whether the IRS should preclude group returns for exempt organizations.<sup>14</sup>

## IRS is providing a 90-day comment period for the Discussion Draft, with comments due by September 14, 2007.

In addition, health care organizations will have a wide variety of comments once they complete their review of how the Discussion Draft would affect their approaches to recordkeeping, tax compliance, and operations. Because of the magnitude of the changes in format and approach by the Discussion Draft, every health care organization should consider submitting comments, either on its own or through trade groups or associations.

### IRS Background Paper

In releasing the Discussion Draft, the IRS also made available a "Background Paper" in which it set forth some of the background information and IRS rationale and considerations in the redesign of the Discussion Draft.<sup>15</sup>

In the Background Paper, the IRS notes that the Form 990 is currently used by IRS as the primary tax compliance tool for tax-exempt organizations.<sup>16</sup> In addition, the IRS notes that most states rely on Form 990 to perform

charitable and other regulatory oversight and to satisfy state income tax filing requirements for organizations that claim exemption from state income tax.<sup>17</sup> IRS also points out that Form 990 is a public document that is made available by filing organizations, the IRS, and others. For example, Guidestar makes Forms 990 from IRC § 501(c)(3) and certain other organizations available online at its Web site ([www.guidestar.org](http://www.guidestar.org)) to anyone with an Internet connection. As a result, IRS notes that the Form 990 is the key transparency tool that the public, state regulators, the media, researchers, and policymakers rely on to obtain information about the tax-exempt sector and individual tax-exempt organizations.<sup>18</sup>

### Overall demographics of the tax-exempt sector

According to the Background Paper, approximately 1.3 million public charities or other types of non-charitable exempt organizations are included in the IRS master file.<sup>19</sup> This consists of public charities (not including churches), non-charitable tax-exempt organizations, and private foundations. For tax year 2004 (the most recent year for which complete data is available) the IRS received 364,601 Forms 990 and 142,269 Forms 990-EZ, a total of 506,870 returns.<sup>20</sup> Many small organizations did not have a filing requirement.

IRS notes that the tax-exempt sector is diverse as to size and types of organizations and sources of revenues and that that smaller organizations make up the largest percentage of the number of tax-exempt organizations. On the other hand, IRS points out that these smaller organizations account for a relatively low percentage of the total assets and annual revenues of the exempt sector. For example, the Background Paper notes that of all public charities that file annual returns with the IRS,

*Continued on page 52*

the largest 1% of public charities hold 61% of the assets and derive 66% of the revenues.<sup>21</sup>

IRS also identified a large concentration of assets and revenues in the hospital and education sub-sectors, because these institutions rely on fee-for-service revenues and investment earnings to fund their operations.<sup>22</sup>

As a result, the Discussion Draft targets hospitals and other health care organizations for increased data, on the theory that their larger, more complex organizational structures and operations require more information to understand their operations and to determine whether they are in compliance with the rules governing tax-exempt organizations.

**More disclosure document than tax return**

The Discussion Draft takes a much different approach. In many important respects, the Discussion Draft follows a trend over the last five years of requiring more and more information about financial transactions with “insiders.” The result is that the Discussion Draft “morphs” Form 990 from being largely a tax return (where income and expense is reported) to a narrative SEC-like disclosure

document (where factual information is collected). In particular, the Discussion Draft focuses on corporate governance process, conflicts of interest and operational matters (e.g., charity care, billing, collection, etc.), and requests the information in a reasonably concise and easy to-follow-format.

**Summary of the revised core form and schedules**

As noted earlier, the Discussion Draft contains a Core Form of ten pages and 15 potential Schedules. IRS believes that the redesigned Core Form promotes tax compliance by allowing IRS to pinpoint organizations that have particular characteristics of concern without burdening other organizations that do not share these characteristics. The 15 Schedules are intended to provide additional details, where an organization’s operations and activities warrant it. The 15 potential Schedules are shown in Table 1.

**Supplemental Schedules for hospitals**

IRS estimates that fewer than 10% of filing organizations will have to complete eight or more of the Schedules.<sup>23</sup> While that may be true overall, it would appear that most hospi-

tals will have to complete at least eight of the 15 schedules on a more or less regular basis, with special emphasis placed on:

- Schedule D for financial reports and FIN 48 matters (See Part VII);<sup>24</sup>
- Schedule H for community benefit, billing and collection, and joint venture reporting;
- Schedule J for detailed compensation reporting;
- Schedule K for tax-exempt bond reporting;
- Schedule L for loans to current and former directors, officers, key employees, top five highest paid employees, and disqualified persons (e.g., moving or recruitment loans); and
- Schedule R for related organization reporting.

Other common Schedules will likely include Schedule B for contributions, Schedule C for lobbying activities and, in some cases, Schedule F for organizations with operations overseas.

**Part I of Core Form—The summary page**

According the Background Paper, the summary page of the Core Form is intended to provide the user with a USA TODAY-like “snapshot” (without the clever, color graphics) of key metrics about an organization without having to go beyond the “front page.”<sup>25</sup> For example, Table 2 shows the elements of the snapshot that are the first items of information presented after learning the organization’s “name, rank, serial number, and home address.” This snapshot includes information regarding the total number of persons serving on the governing board, the number of “independent” members of the governing board, the amount paid to the highest paid employee, and the total executive compensation paid as a percentage of overall program service expense.

**Part II of Core Form – Compensation**

The organization is required in Part II to report information about compensation of current and former officers, directors,

Table 1

Schedule	Description
A	Public Charity Status
B	Contributions
C	Political and Lobbying Activities
D	Financial Statement Matters (including any FIN 48 disclosures)
E	Schools
F	Foreign Activities
G	Fundraising and Gaming
H	Hospitals
I	Grants
J	Compensation
K	Tax-Exempt Bonds
L	Loans
M	Non-cash Contributions
N	Termination and Significant Disposition of Assets
R	Related Organizations

Table 2

<b>Line</b>	<b>Information Provided</b>
1	Brief description of Organization's Mission
2	Three most significant activities and activity codes
3	Total number of members of governing body
4	Number of "independent" members of governing body
5	Total number of employees
6	Number of individuals with compensation exceeding \$100,000 (increased from \$50,000 in the current Form 990)
7	Compensation of the highest paid individual
8a	Total compensation paid to officers, directors, and key employees
8b	Total compensation in Line 8a as percentage of total program service expense
9a	Gross unrelated business revenues
9b	Net unrelated business income from Form 990T
10	Whether the organization has ceased operations or disposed of more than 25% of net assets

trustees, key employees, and certain other highly compensated employees. According to the Background Paper, as with the current Form 990, an organization must list each officer, director, trustee, or key employee of the organization (a "Listed Person"), regardless of their compensation amount (entering zero, where appropriate).<sup>26</sup> The Discussion Draft also effectively broadens the universe of whose compensation is reported. For the first time, the IRS has defined who is an officer of an organization for purposes of the Form 990 reporting requirements. Historically, many health care organizations have taken varying

limited views of who constitutes an officer, limiting it to board officers and those specifically mentioned in the Form 990 instructions (e.g., CEO, COO, CFO, Treasurer). They also took differing views in how they interpreted the term "key employee," which the current Form 990 Instructions define as anyone "having responsibilities, powers, or influence similar to those of officers, directors, or trustees."<sup>27</sup> Perhaps in recognition of the potential for confusion between "key employees" and "officers," the IRS dropped the definition of key employees from the Discussion Draft and, instead, inserted a broad definition of "officer" as a:

Person who, regardless of title, has or shares responsibility for implementing the decisions of the governing body, supervising the management, administration, or operation of the organization, or for managing the finances of the organization. Examples of officers include presidents, chief executive officers, chief operating officers, treasurers, chief financial officers, chief legal officers, chief compliance officers, and chief information officers. A person who is designated as an officer under the organization's governing documents or under applicable state law is an officer. The term generally does not include persons in assistant or subordinate offices, such as an assistant secretary, whose duties generally are limited to ministerial functions.<sup>28</sup>

The Discussion Draft also departs from the 2006 Form by requiring the reporting of compensation based on Form W-2 reporting for employees and Form 1099 reporting for directors and other independent contractors. For W-2 employees, the Discussion Draft also inflates the compensation number by requiring that the organization use Medicare wages (Box 5), rather than Box 1 (which typically would be lower with various deferrals).

Based on those data, organizations that reach certain triggers will have to file Schedule J (Supplemental Compensation Information), which requires substantial additional information. Schedule J and its accompanying 11-page set of instructions are a dizzying and detailed maze of complex definitions, concepts, and examples. In combination with the highly detailed definitions of various terms in the nine-page glossary accompanying the Discussion Draft, these instructions may cause severe eye strain and the need for aspirin on a frequent basis.

**The Schedule J triggers are:**

- Reporting amounts paid to Listed Persons who are former officers (not currently serving but who served within the last five years), directors, key employees, or highest compensated employees;
- Having Listed Persons with reportable compensation (Form W-2, Box 5 or Form 1099, Box 7) in excess of \$150,000 from the filing organization and any "related" organizations for the calendar year ending with or within the filing organization's fiscal year;
- Having Listed Persons who have received or accrued more than \$250,000 of reportable or other compensation, including deferred compensation, nontaxable fringe benefits, and expense reimbursements from the filing organization and "related" organizations; or
- Having Listed Persons who received or accrued compensation from any source (other than the filing organization) for services rendered to the filing organization.<sup>29</sup>

Given the size and complexity of health care organizations, and the resulting need to attract and retain individuals with the talents and skills necessary to run these organizations, all health care organizations will need to master

*Continued on page 55*

Schedule J. Moreover, under Schedule J, the more complex the compensation arrangement, the more information Schedule J requires.

One of the consequences of the detailed reporting regime in the redesigned Form 990 is that exempt organizations likely will need to perform an in-depth review of all financial and governance relationships to determine which entities and individuals are disqualified persons, in order to properly answer many questions on the form, such as aggregate compensation disclosures for disqualified persons (Part V, Line 6), loans to disqualified persons (Part VI, Line 6 and Schedule L) and whether the organization intends to rely on the initial contract exception under Section 53.4958-4(a)(3) of the regulations for payments to disqualified persons (Schedule J, Line 7).

### Part III of Core Form—Governance, management, and financial reporting

IRS has no express statutory authority to regulate corporate governance matters, but IRS does have the authority to enforce the tax rules regarding private inurement, private benefit, excess benefit, tax-exempt purposes, and record retention practices necessary to substantiate that the organization is being run for one or more tax-exempt purposes. All of the foregoing tax rules are based on and reflect, to one degree or another, state charitable law concepts. In many substantial respects, these rules correspond very directly with these concepts.

For example, the state law fiduciary duty of loyalty corresponds directly with the tax law concepts of private inurement and excess benefit. The state law fiduciary duty of care corresponds directly to the IRS concept of “reasonable cause,” which is ordinary business care and prudence.<sup>30</sup> Moreover, the comparability leg of the rebuttable presumption process corresponds directly to the state law duty of care. Indeed, the triggering of the

rebuttable presumption switches the burden of proof to the IRS, making the rebuttable presumption process the functional tax law equivalent of the state law business judgment rule. That is, if, in good faith, the organization follows correct process, the IRS and the courts are likely to defer to the judgment of the organization’s governing board.

Furthermore, tax law notions of “tax-exempt purposes” are broader than state charitable organization law purposes, but significant overlap exists between a large number of tax-exempt purposes and state law charitable purposes, such as health care under the community benefit standard.

As a result, the IRS believes that good governance and accountability practices provide safeguards that the organization’s assets will be used consistently with its exempt purposes. This is a critical tax compliance consideration, especially with respect to organizations that are subject to private benefit, excess benefit, and private inurement prohibitions. Therefore, in the Background Paper, the IRS states, “In our view and experience, a well managed organization is likely to be a tax compliant organization.”<sup>31</sup>

To provide information on how well managed the filing organization is, Part III of the Core Form requires each organization to provide certain information regarding the composition of its governing body, certain of its governance and financial statement practices, and the means by which the organization is accountable to the public by making certain governance information publicly available. In that regard, the Core Form seeks specific information about a number of governance and reporting matters, including:

- The number members of governing body (Part III, Line 1a);
- The number “independent” members of the governing body (Part III, Line 1b);

- Whether significant changes have been made to governing documents (this is actually a lessening of the disclosure burden in that the current Form 990 requires disclosure of all changes to the governing documents) (Part III, Line 2);
- Whether the organization has a written conflicts-of-interest policy and, if so, the number of transactions reviewed pursuant to that policy (Part III, Lines 3a and 3b);
- Whether the organization has a written whistleblower policy (Part III, Line 4);
- Whether contemporaneous documentation of board and committee meetings exists (Part III, Line 6);
- Who prepares the organization’s financial statements and whether those statements are audited, reviewed, or compiled by an independent accountant (Part III, Line 8);
- Whether the organization has an audit committee (Part III, Line 9);
- Whether the governing body reviews the Form 990 prior to filing with the IRS (Part III, Line 10);
- How key governance and financial documents are made available to the public (Part III, Line 11); and
- A listing of the states where the organization files the Form 990 as a state law regulatory filing (Part III, Line 12).

### Part VII of the Core Form—General activities

Questions about the general activities of the organization are covered in Part VII. Many of the questions in Part VII serve as “trigger” questions for the various Schedules that an organization will need to complete, depending on its type and activities. For example, Part VII asks a series of questions that will trigger further reporting for many hospitals:

- Whether the organization issues tax-exempt bonds (Part VII, Line 6a and, if so, directing the organization to complete Schedule K);

*Continued on page 56*

- Whether the organization holds interests in “disregarded” entities or has “related” entities (Part VII, Line 7a and, if so, directing the organization to complete Schedule R);
- Whether it conducts all or a substantial part of its activities through partnership or corporation, especially where the organization’s ownership or control is less than a majority position or where the management or control is in the hands of a for profit partner (Part VII, Line 8a);
- Whether the organization provided hospital or medical care (Part VII, Line 9 and, if so, directing the organization to complete Schedule H);
- Whether the organization has a written policy to review investments or participation in disregarded entities, joint ventures, or other affiliated organizations, whether exempt or nonexempt (Part VII, Line 11); and
- Whether the organization has a written policy to safeguard exempt status regarding transactions or arrangements with related organizations (Part VII, Line 12).

#### Other requested information

The Core Form also asks for other information, regarding the reporting of revenues, expenses, and balance sheet items (See Parts IV, V, and VI). Generally, these portions of the Discussion Draft, with some exceptions, follow the current Form 990 layout. In addition, Part VIII of the Discussion Draft seeks information about various IRS filing requirements, including information regarding excess benefit transaction reporting (found on Line 89 of the current Form 990, but which can now be found in Part VIII, Line 5 of the Discussion Draft). Finally, Part IX of the Core Form asks for information regarding program service accomplishments, including a request on Part IX, Line 2 for information regarding the organization’s “most significant program service accomplishment for the year.” ■

1 IR-2007-117, June 14, 2007 (available online at <http://www.irs.gov/newsroom/article/0,,id=171329,00.html>).  
2 Id.  
3 Id.  
4 See, e.g., 2006 Return of Organization Exempt from Income Tax (Form 990) (available at [www.irs.gov/pub/irs-pdf/f990.pdf](http://www.irs.gov/pub/irs-pdf/f990.pdf)).  
5 Id.; see also Instructions to 2006 Return of Organization Exempt from Income Tax (Form 990) (available at [www.irs.gov/pub/irs-pdf/i990-cz.pdf](http://www.irs.gov/pub/irs-pdf/i990-cz.pdf)).  
6 See [www.irs.gov/charities/article/0,,id=171216,00.html](http://www.irs.gov/charities/article/0,,id=171216,00.html).  
7 Supra note 3.  
8 See IR-2002-87, Sept. 4, 2002 (available at <http://www.irs.gov/pub/irs-drop/a-02-87.pdf>).  
9 Id.  
10 See Senate Finance Committee Press Release, “Redesigned Form 990 for tax-exempt organizations” (June 14, 2007) (available online at <http://finance.senate.gov/press/Bpress/2007press/prb061407b.pdf>).  
11 Supra note 3.  
12 Questions and comments should be e-mailed to the IRS at [Form-990Revision@irs.gov](mailto:Form-990Revision@irs.gov) or mailed to: Internal Revenue Service, Form 990 Redesign, SE:T:EO, 1111 Constitution Avenue, NW, Washington, DC 20224.  
13 IRS, Background Paper for Redesigned Draft Form 990, at p. 4 (available at <http://www.irs.gov/charities/article/0,,id=171216,00.html>).  
14 Id. at p. 5.  
15 Id.  
16 Id. at p. 1.  
17 Id.  
18 Id.  
19 Id.  
20 Id.  
21 Id. at p. 2.  
22 Id.  
23 Supra note 10, at p. 4.  
24 For tax years beginning after December 15, 2006, Financial Accounting Standards Board Interpretation No. 48 (FIN 48) may require reserves and financial statement disclosure of an uncertain tax position if exemption or unrelated business income treatment is not clear from existing tax law guidance. A position must meet at least a “more likely than not” standard. Even then, the probabilities of success must be assessed and a reserve still may be required on the financial statements for open tax years if the tax position is not relatively settled.  
25 Supra note 10, at p. 3.  
26 Id.  
27 Form 990 (2006) Instructions, Part V-A, p. 34.  
28 Glossary, at p. 7.  
29 See Instructions to Schedule J, at p. 1 (available at <http://www.irs.gov/charities/article/0,,id=171213,00.html>).  
30 See, e.g., Treas. Reg. § 301.6651-1(c).  
31 Supra note 10, at p. 3.

# HCCA Welcomes New Corporate Members

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